

THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No.24668 OF 2005

Date:18.11.2005

Between:

N.Satya Veni and another

... Petitioners

AND

The Manager, Andhra Bank.

... Respondent

ORDER:

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The petitioners have borrowed a sum of Rs.3,00,000/- from the respondent-Bank in 2001. They committed default in repayment of the loan instalments. Therefore, the respondent initiated steps under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the Act') against the property that was offered as security for repayment. On 10.07.2005, the District Collector, Ranga Reddy District, directed the Mandal Revenue Officer, Quthbullapur, to resume possession of the property in exercise of power under the Act. Thereafter, the respondent herein addressed a letter, dated 24.10.2005, requiring the petitioners to vacate the premises. The petitioners challenge the action of the respondent.

Sri C.Ramachandra Raju, the learned counsel for the petitioners, submits that the petitioners could not pay the instalments on account of unavoidable circumstances and they do not have any intention to evade their liability. He contends that if reasonable time is granted, the petitioners would liquidate the liability and the respondent be directed not to precipitate the issue in the meanwhile.

Sri Nooty Ram Mohan Rao, the learned counsel for the respondent, on the other hand, submits that the petitioners were given ample opportunity to repay the outstanding dues and left with no alternative, the steps under the Act have had to be resorted to.

The petitioners do not dispute their liability to repay the balance amount to the respondent. As of now, there is some dispute as to the exact amount to be repaid. That, however, is a matter, which needs to be settled between the petitioners and the respondent. This Court cannot record any finding on such disputed facts.

The petitioners have, in a way, proved their *bona fides* by paying a sum of Rs.1,00,000/- few days ago, even after the proceedings were initiated under the Act. It is pleaded that if ample time is granted, the petitioners would repay the entire amount. If the property is sold, it would certainly result in hardship to the petitioners, particularly, when they are willing to repay the amount.

Having regard to the facts and circumstances of the case, the writ petition is disposed of granting time up to 31.03.2006 for the petitioners to repay the entire amount. To prove their *bona fides*, they shall pay at least another sum of Rs.1,00,000/- (Rupees one lakh only) by 31.01.2006. In the meanwhile, the respondent shall not take any steps in relation to the premises that were offered as security. In case the petitioners commit default in payment of the amount as indicated above, it shall be open to the respondent to proceed further against the property in accordance with the provisions of the Act.

18.11.2005

Note: Issue C.C. by Monday.

(B/o)

kdl